



GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

OCTOBER 8, 2002

TM GRAIN TRANSPORT COST INDICATORS	Truck	Rail	Barge	Ocean
Indicator Value *	to be	updated	next	week
Compared to Last Week	➔	➔	➔	➔
<i>* Indicator: Base Year 2000=100; Cost Data, Weekly Updates include Truck=Diesel, Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Quarterly Updates for Ocean Vessel based on Routes to Japan</i>				

Update on West Coast Port Situation.

Ports Will Reopen October 9. On October 8, President Bush sought a court injunction under the Taft-Hartley Act to end the 11-day shutdown of 29 West Coast ports. On the same date, a U.S. District Court judge granted a temporary injunction that lasts 1 day beyond a formal unjunction hearing scheduled for October 16. Should the judge grant an 80-day injunction, contract negotiations will continue while the ports operate. Under the Taft-Hartley Act, should no contract agreement be reached during the cooling off period, the union could then strike. Pacific Maritime Association (PMA) estimates that it will take at least 6 weeks to work through the backlog of freight, assuming that normal productivity levels are achieved. There are an estimated 250 ships waiting at anchor or in terminals to be unloaded.

Exports Crucial for U.S. Agriculture. U.S. Agriculture has become very dependent economically on international trade.

- The United States exports about 25 percent of its annual agricultural production, and for crops, 1 acre out of every 3 moves to export markets.
- Fiscal year 2001 agricultural exports were \$52.7 billion and provided an agricultural trade surplus of \$13.7 billion. Fiscal year 2003 exports, forecast at \$57.5 billion, were jeopardized by the port closure.

West Coast Ports Handle a Large Proportion of U.S. Agricultural Exports.

- About half of all U.S. agricultural exports move through West Coast ports.
- West Coast ports handle 58 percent of all containerized agricultural exports from the United States.
- Approximately \$2 billion worth of containerized high-value agricultural products are exported each month through West Coast ports.
- During the months of October, November, and December (1999-2001), an average of 10,000 40-foot containers of animal feed were exported each month.
- Nearly 30 percent of U.S. fresh fruit exports shipped through West Coast ports are shipped during the months of October-December, and 27 percent of fresh and frozen vegetable exports move through West Coast ports during these months.
- Each month during October-December, an average of nearly 1.2 million metric tons of grain and oilseeds, worth more than \$250 million move through West Coast ports.
- From 1999 through 2001, the Pacific Northwest (PNW) handled nearly 40 percent of total U.S. wheat exports, 15 percent of corn exports, and 8 percent of soybean exports for a total of 19 percent of all U.S. grain and oilseed exports.
- The average value (1999-2001) of wheat exported through the PNW during the 3 months of October, November, and December typically exceeds \$566 million (based on current f.o.b. prices at port).
- Roughly 85 to 90 percent of Washington wheat is exported through the PNW, with similar percentages for exports of wheat grown in Idaho and Oregon (Marvin.Prater@usda.gov, AMS, Transportation Services)

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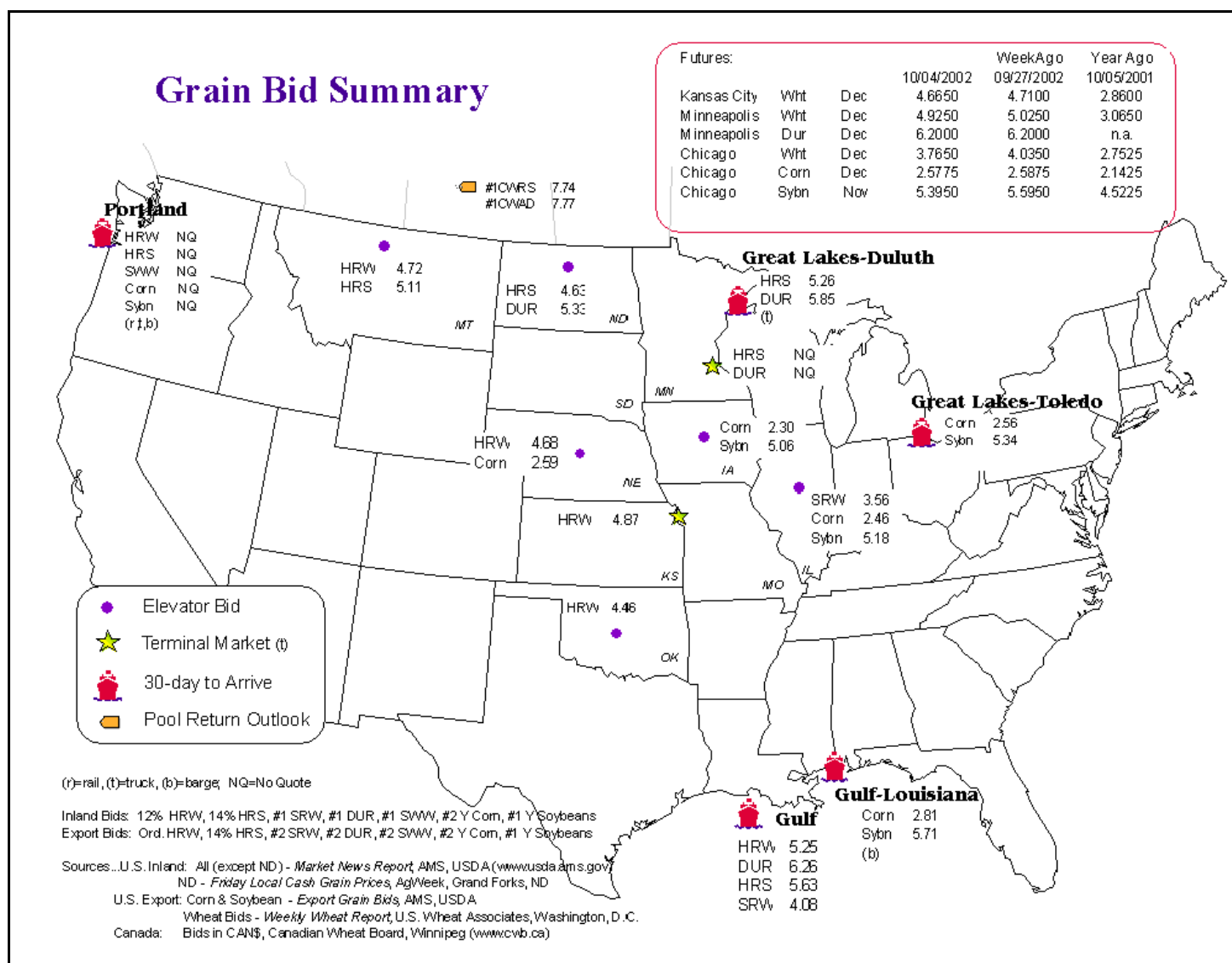
The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Market Update: U.S. Origins to Export Position Price Spreads

Per Bushel

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.23	-0.33
Corn	NE -- Gulf	-0.29	-0.27
Soybean	IA -- Gulf	-0.25	-0.69
HRW	KS -- Gulf	-0.47	-0.44
HRS	ND -- Portland	-1.17	-1.36

The **Grain Bid Summary** illustrates the market relationships for corn, soybeans, and five varieties of wheat among selected origins and destinations. Positive and negative adjustments in the differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.



RAIL TRANSPORTATION

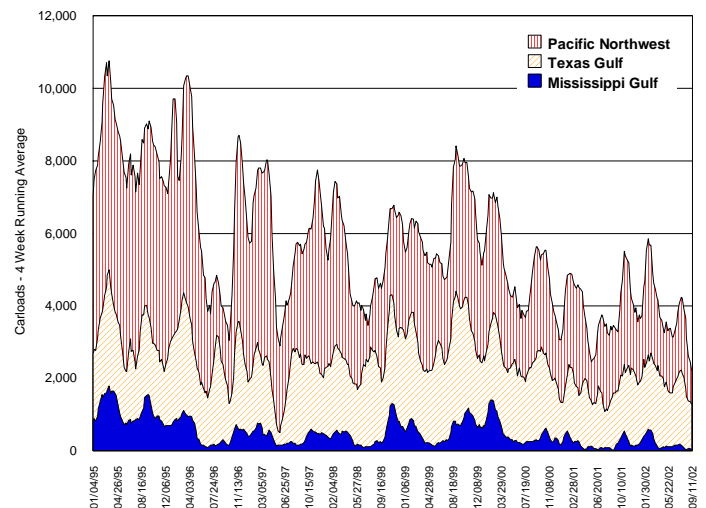
Rail Deliveries to Port

Carloads

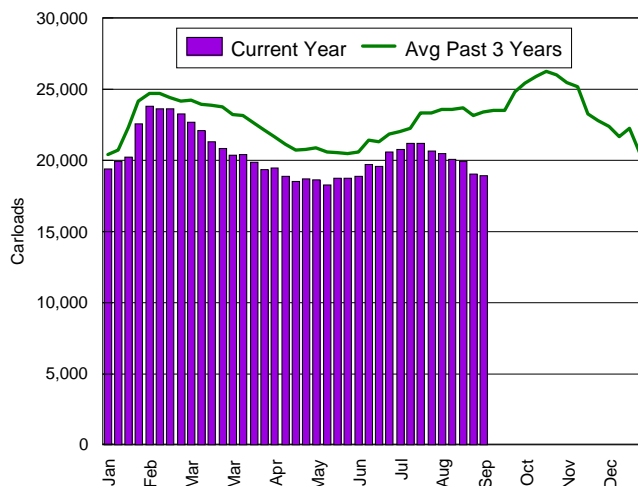
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
09/18/02	51	841	1,671	71	122
09/25/02	15	963	1,908	55	70
YTD 2002	7,372	68,657	71,846	15,432	22,804
YTD 2001	6,298	55,729	78,617	17,771	24,069
% of Last Year	117%	123%	91%	87%	95%
Total 2001	10,022	81,804	111,376	26,604	229,806
Total 2000	25,767	104,473	128,414	14,816	273,470

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data

Rail Deliveries to Port



Grain Car Loadings for Class I Railroads



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated and Grain Service Index

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
09/21/02	2,220	2,624	7,144	477	5,070	3,172	4,494	4,059
This Week Last Year	2,286	2,189	8,663	557	6,802	5,206	4,803	3,822
2002 YTD	97,306	111,653	264,645	19,320	238,399	140,561	130,799	703
2001 YTD	104,611	108,926	283,351	16,912	237,014	174,237	159,279	703
2001 Total	151,864	163,018	428,603	26,330	347,156	254,982	232,461	100%
2000 Total	147,708	153,905	425,849	26,515	364,785	160,749	239,670	232,461

Dec-01	95.5	93.1	100.9	101.0	98.0	97.5
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Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online for Rail Carrier

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Sep-02	Oct-02	Nov-02
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	\$0
GCAS/Region 2	no bid	no bid	no offer
GCAS/Region 4	no bid	no bid	no offer

Source: Transportation & Marketing/AMS/USDA.

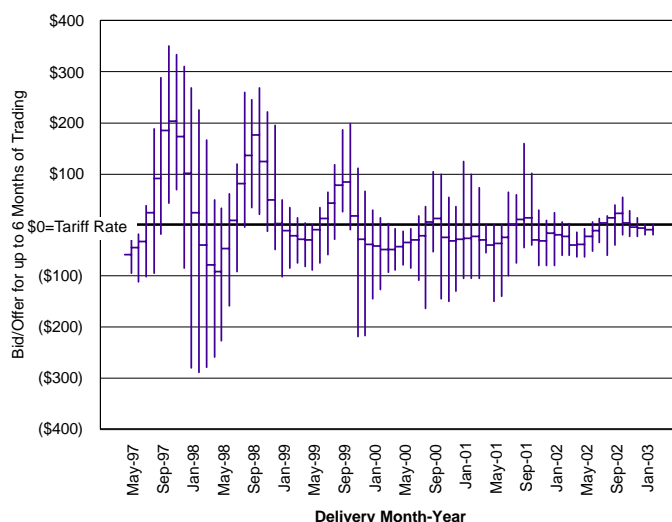
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Aug-02	Sep-02	Oct-02	Nov-02
BNSF-GF	\$(5)	\$0	\$(2)	\$(3)
UP-Pool	\$(55)	\$(35)	\$(5)	\$(10)

Secondary Rail Market Bid



Tariff Rail Rates for Unit Train Shipments

October 2002

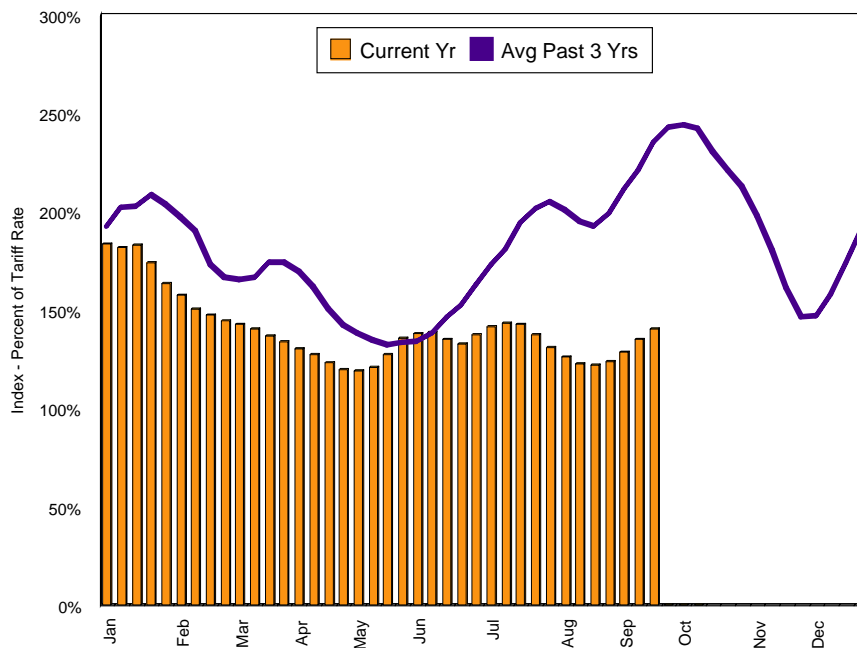
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
10/07/02	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
10/07/02	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
10/07/02	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
10/07/02	43586	Wheat	Kansas City, MO	Portland, OR	\$4,347	\$47.92	\$1.30
10/07/02	43581	Wheat	Omaha, NE	Portland, OR	\$4,005	\$44.15	\$1.20
10/07/02	31005	Corn	Minneapolis, MN	Portland, OR	\$3,050	\$33.62	\$0.85
10/07/02	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
10/07/02	31005	Corn	Omaha, NE	Portland, OR	\$2,850	\$31.42	\$0.80
10/07/02	61110	Soybean	Minneapolis, MN	Portland, OR	\$3,030	\$33.40	\$0.91
10/07/02	61110	Soybean	Omaha, NE	Portland, OR	\$2,780	\$30.64	\$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

BARGE TRANSPORTATION

Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating barge rate per ton:
 $\text{Index} \times 1976 \text{ Tariff Benchmark Rate per Ton}$

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

	10/2/02	9/25/02	Nov '02	Jan '03
Twin Cities	195	180	199	0
Mid-Mississippi	188	171	169	0
Illinois River	178	157	160	174
St. Louis	148	137	138	119
Lower Ohio	144	134	149	126
Cairo-Memphis	131	127	131	114

Source: Transportation & Marketing /AMS/USDA; nq=no quote

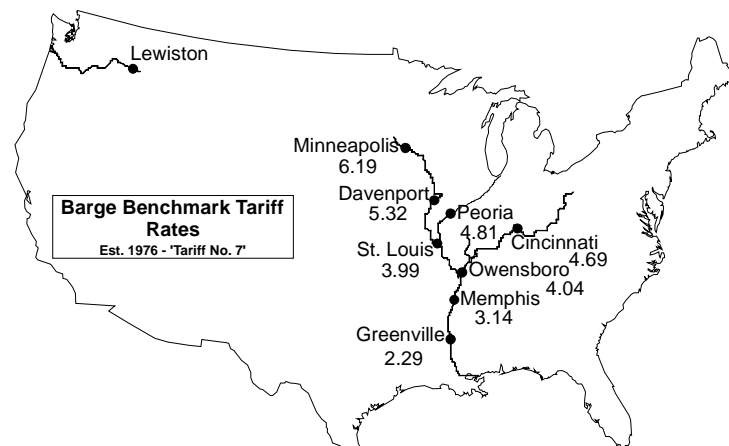
BARGE FUTURES MARKET

Southbound Barge Freight Nominal/Cash Basis Values

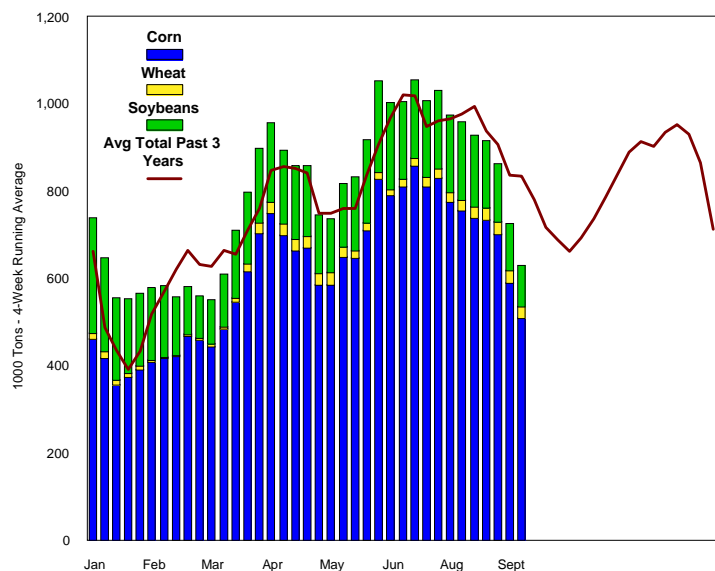
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
10/08/02	St. Louis	Aug	n/a	n/a
		Oct	n/a	185
		Dec	n/a	120
		Feb	n/a	120
		Mar	n/a	120
	Illinois River	Aug	n/a	n/a
		Oct	n/a	205
		Dec	n/a	155
		Feb	n/a	170
		Mar	n/a	155

Source: St. Louis Merchants Exchange



Barge Movements on the Mississippi River (Lock 27)



Barge Grain Movements

for week ending 9/28/02

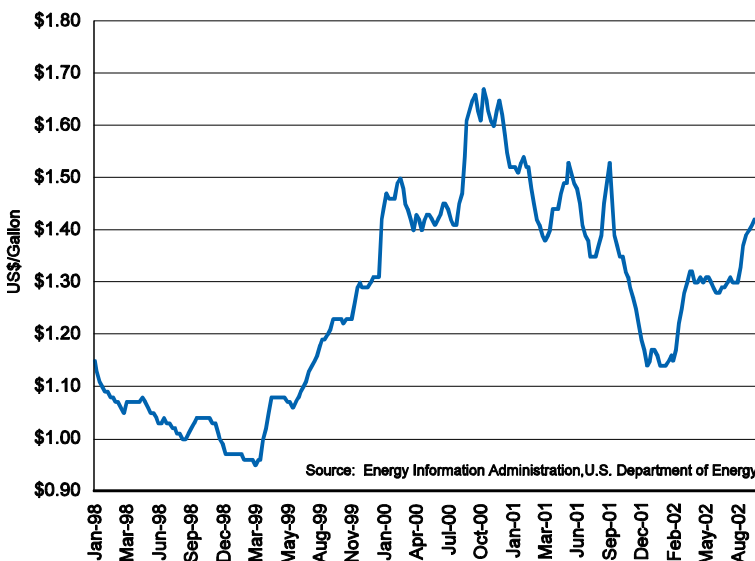
	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	173	9	34	241
Winfield, MO (L25)	314	23	54	405
Alton, IL (L26)	480	22	68	590
Granite City, IL (L27)	465	25	61	573
Illinois River (L8)	88	0	16	104
Ohio River (L52)	36	8	5	61
Arkansas River (L1)	0	34	3	37
2002 YTD	26,216	2,010	7,270	36,700
2001 YTD	24,037	2,027	6,238	33,692
% of Last Year	121%	102%	115%	117%
Total 2001	31,878	2,679	10,616	47,091

YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers.

TRUCK TRANSPORTATION

Weekly U.S. Retail Road Diesel Price, Including Taxes



Source: Energy Information Administration, U.S. Department of Energy

The weekly **Diesel Price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Crude Oil Prices

US\$ per Barrel

Light Sweet Crude (NYMEX)

This Week

Last Week

Average
2001*

Brent Crude

26.76

26.26



22.96

Source: www.eia.doe.gov; *U.S. Refiner Crude Acquisition Cost, Composite Domestic & Import

Note: Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London

GRAIN EXPORTS

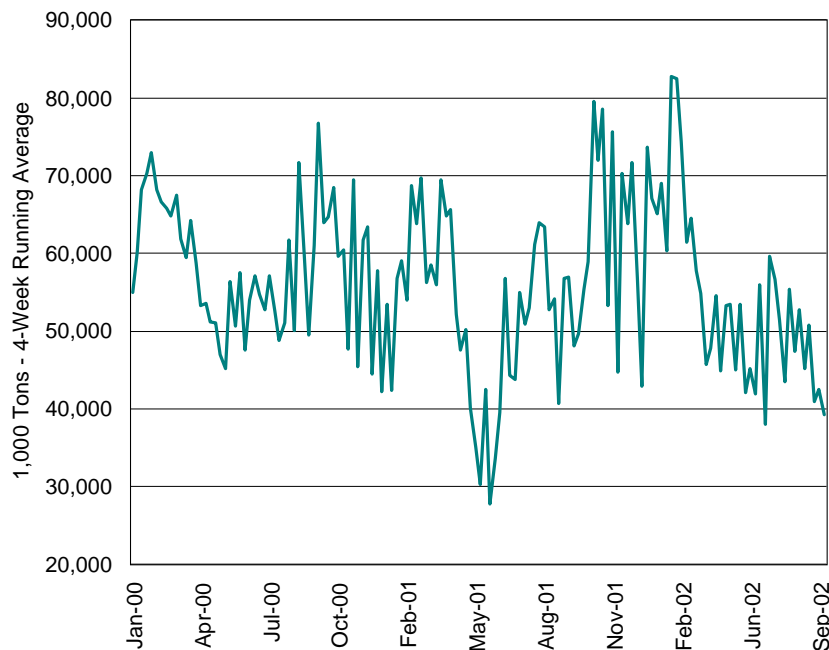
U.S. Export Balances (1,000 Metric Tons)

	HRW	SRW	Wheat HRS	SWW	DUR	All	Corn	Soybean	Total
Unshipped Export Balances									
09/26/02	1,639	408	1,581	734	177	4,539	7,028	6,931	18,498
This Week Year Ago	1,150	1,091	862	499	314	3,916	7,018	6,896	17,830
Cumulative Exports-Crop Year									
01/02 YTD	2,989	1,008	2,085	1,187	280	7,548	2,536	659	10,743
00/01 YTD	2,604	1,761	1,752	1,018	440	7,575	3,780	17,713	29,068
99/00 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
98/99 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942
97/98 Total	9,867	6,792	8,918	6,443	897	32,918	55,769	23,550	112,237

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>			<u>Port Region Total</u>		
	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Pacific	Mississippi	Texas
09/19/02	210	0	0	112	670	142	92	0	4	210	925	96
2002 YTD	6,298	2,926	1,382	4,008	27,744	11,046	4,537	237	907	10,606	42,797	5,681
2001 YTD	6,877	4,036	1,372	4,326	25,687	10,085	3,957	212	951	12,285	40,098	5,120
% of Last Year	63%	49%	81%	59%	79%	62%	66%	50%	90%	60%	71%	68%
2001 Total	10,007	5,877	1,647	6,829	34,991	17,996	6,984	470	1,008	17,530	59,816	8,462

Source: Federal Grain Inspection Service YTD-Year-to-Date

U.S. Grain Inspected for Export**Select Canadian Port Export Inspections**

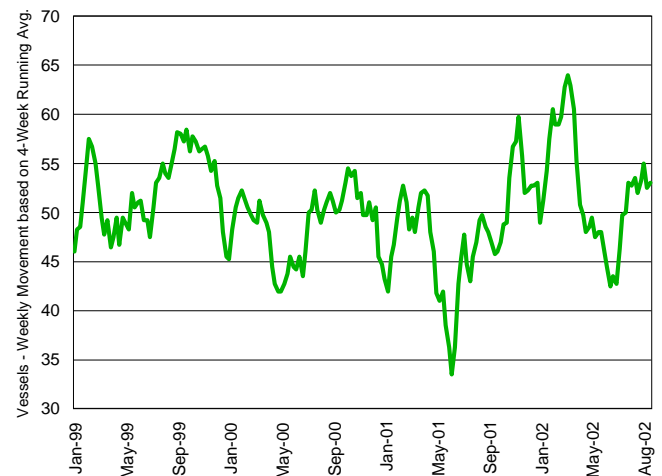
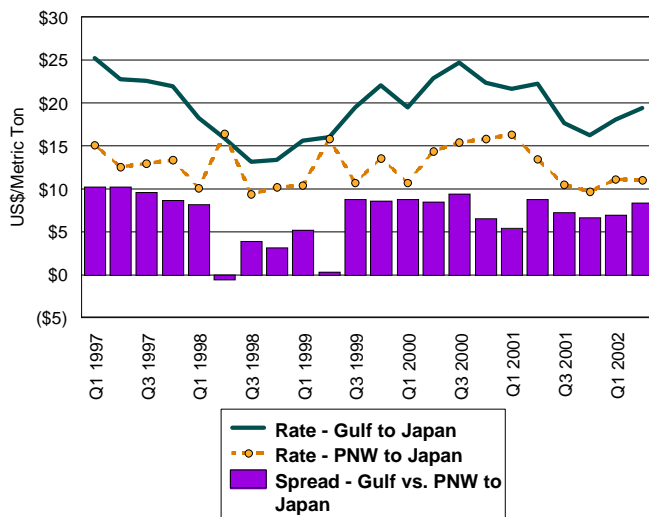
1,000 Metric Tons, Week End Summary

	Wheat	Durum	Barley
09/12/02			
Vancouver	318	21	3
Prince Rupert	207		
Prairie Direct	71	50	45
Thunder Bay	92	71	32
St. Lawrence	1,289	204	30
2001/02 YTD	1,977	346	110
2002/03 YTD	1,020	575	81
% of Last Year	194%	60%	136%

Source: Canadian Grains Commission, Crop Year 8/1- 7/31

Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
09/26/02	22	40	68	8	4
10/03/02	15	43	69	9	4
2001 Range	(13..65)	(28..64)	(46..81)	(1..18)	(4..20)
2001 Avg	36	48	63	9	12

**Gulf Port Region Grain Vessel Loading
Past 7 Days****Grain Vessel Rates to Japan****Quarterly Ocean Freight Rates**

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton

	2002 2 nd Qtr	2001 2 nd Qtr	% Change		2002 2 nd Qtr	2001 2 nd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$19.43	\$22.31	-13%	Japan	\$11.03	\$13.05	-18%
Mexico	\$46.92	\$17.84	63%				
Venezuela		\$14.76	-				
N. Europe	\$13.58	\$16.93	-20%	Argentina to			
N. Africa	\$15.84	\$19.52	-19%	Med. Sea	\$16.98	\$26.08	-35%
Med. Sea	\$12.62	\$15.80	-20%	N. Europe	\$17.16	\$19.68	-13%
Black Sea		\$21.16	-	Japan	\$25.10	\$26.62	-6%

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates for Select Shipments - week ending 10/5/02

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
U.S. Gulf	N. Brazil	Wheat	Oct 25/30	18,000	\$15.00
U.S. Gulf	Chile	Corn/Soybeans	Oct 20/30	20,690/10,800	\$17.00
U.S. Gulf	Algeria	Heavy Grain	Oct 2/9	23,000	\$20.25
PNW	Taiwan	Heavy Grain	Oct 15/25	54,000	\$11.95
PNW	Taiwan	Heavy Grain	Nov 1/10	56,000	\$11.75
PNW	Japan	Heavy Grain	Oct 20/30	54,000	\$12.00

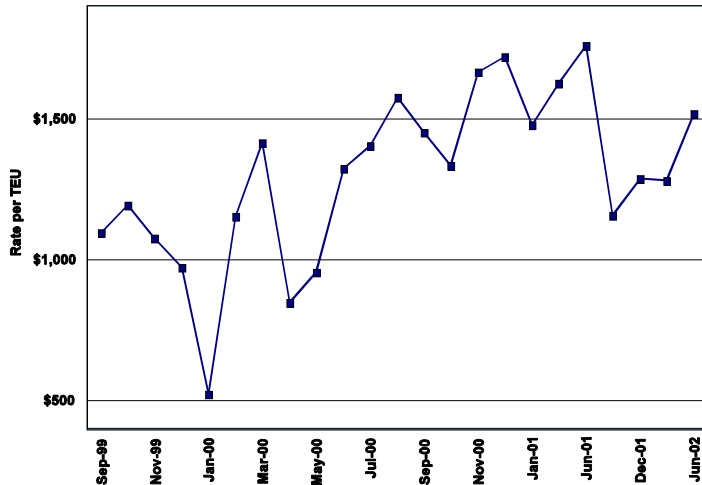
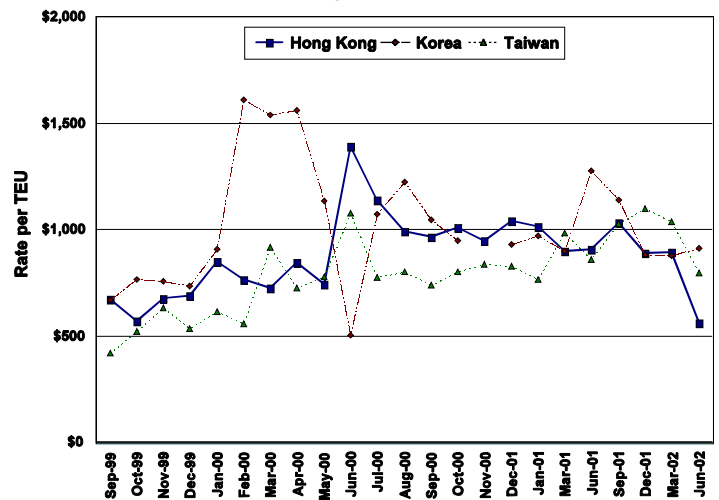
Source: Maritime Research Inc.; rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

CONTAINER

Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share

Source: Transportation & Marketing/AMS/USDA

Container Rates - Soybeans
Seattle, WA Origin to Tokyo, Japan**Container Rates - Feed Grain**
Seattle, WA Origin to Selected Destinations

Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.